

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

COUNTRY PROFILE

A L G E R I A

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## ALGERIA

### HISTORY

The history of Algeria is tremendously fascinating in many respects.

The waves of invasions, Byzantine, Greeks, Romans; the Moorish (Berber) ascendancy, conquests and expansions of parts of Spain, Portugal, Southern France have played an integral part in forming the essential characteristics of the Algerian people. The name Algeria is a derivative of the word El Djezaïr. This criss-cross in her long history - Byzantine, Greek, and Roman mirrors the way Algeria has contributed to world civilization. By the early 19th century Algeria had become an area of the brute force of European expansion - imperialism. On July 5, 1830 what was left of the Dey's forces "surrendered" to a French force. The pretext was a dispute with the Dey over payment for wheat delivered to the French Government thirty years earlier - a trivial complaint which should not have necessitated French colonization. Actually the real motive of French conquest was to placate the frustrated and defeated French Army at the end of the Napoleonic wars. Apart from sporadic revolts, French colonialism was never seriously challenged until 1954. On November 1, 1954 the National Liberation Front, (FLN) founded on August 5, 1951 launched a guerilla campaign against the French Administration and Armed Forces. The war began in November 1954, was fought with unabated ferocity on both sides and by mid-1958 French military operations were apparently beginning to succeed. The FLN guerilla units were scattered, their command disrupted, but during 1958 France also experienced three government crises and there was the danger that the Army, far from being in the service of the French Government, would supplant the Government altogether, bringing Army and ultra-right wing conservative rule not only to France but to Algeria also. "The Generals Putsch" in Corsica of May 13, 1958 brought General de Gaulle to power, although it did not subdue the terrorism of the O.A.S. - Organisation de l'Armée - the combat secrète force of the Colons. On the Algerian side the formation of the Algerian Provisional Government in exile formed in Cairo in 1958, with Ferhat Abbas as Provisional President, led to compromise of moderate French and Algerian views.

On November 1, 1954 the National Liberation Front (FLN) founded on August 5, 1951, launched a guerilla campaign against the French administration



and armed forces. In 1958 a free Algerian Government was formed in Cairo, with Ferhat Abbas as provisional President.

A referendum was held in France and Algeria on January 6-8, 1961 to decide on Algerian self-determination, as proposed by the President of France, General de Gaulle. His proposals were approved in both France and Algeria, but these proposals were not implemented immediately, due to the terrorist activities of the secret organization (OAS) in France and Algeria, which was led by anti-Gaullist Army officers. However, a cease-fire agreement (The Evian Agreement) was concluded between the French Government and representatives of the Algerian Nationalist (FLN) on March 18, 1962; but OAS terrorist acts continued for some months. On April 7, 1962 a provisional executive of twelve members was set up under the Chairmanship of Abderrhaman Farès. On April 8, 1962 a referendum in France approved the Algerian settlement, and on July 1, 1962 Algerians voted in favour for independence in association with France. On July 3, 1962 France declared Algeria independent and on September 25, the National Assembly met and elected Ferhat Abbas President, and Ben Bella Prime Minister of the Republic - "El Djemhouria, El Djazaïria Demokratia Echaabia" - Algerian Democratic and Popular Republic.

The Ben Bella Government was overthrown by a junta of military officers in June 1965, and a Revolutionary Council was set up under Colonel Houari Bonmédiene. Executive power is held by the Government nominated by the Revolutionary Council and altered by decree. Legislative power is by ordinance and decree. The members of the present government are:

Prime Minister and Minister of Defence:	Houari Bonmédiene
Minister of State:	Rabah Bitat
Foreign Affairs:	Abddaziz Bouteflika
Interior:	Ahmed Medghri
Finance and Planning:	Ismail Mahroug
Agriculture and Agrarian Reform:	Tayebi Larbi
Information:	Mumammad Benyahia
Justice:	Muhammad Bedjaoud
Education:	Admed Taleb
Health:	Tedjini Haddaw
Ex-Servicemen:	Bouahem Ben Hamouda
Industry and Energy:	Belaid Abdessalam
Post and Telecommunications:	Abdel Kadir Zaibek

Public Works:	Lanime Kheme
Commerce:	Layachi Yaker
Labour:	Mazoudi Mohaud Said
Tourism:	Abdelaziz Moaoui
Youth and Sports:	Abdelkrim Ben Mahmaud
Religious Affairs:	Ahmed Saadouui

The National Assembly (parliament) has been suspended since 1966 but there are plans for new elections early 1973. At present executive authority is vested in the Council of the Revolution and the Council of Ministers.

#### LAND AREA (952,198 square miles)

Algeria has 750 miles of coast line on the Mediterranean. To the west it is bounded by Morocco and Mauritania, to the south by Mali and Niger and to the east by Tunisia and Libya. Algeria is divided into two regions: (1) the north from the coast to the Atlas mountains, and (2) the Saharan desert. The north of Algeria has two mountain ranges, the Tell Atlas and the Saharan Atlas, separated by a region of high plateaus (the mountains of Tlemcen, Saïda and Frenda). To the east is the Aurès mountain, and on the south the plateau is fairly flat. The Sahara is the largest desert region in the world and lies across the Tropic of Cancer. In fact, certain plateaus like those of Tassili of Ajjer rise above stony stretches like the plain of Tanegrout. In the south east, the Hoggar massif rises to 10,500 feet.

#### CLIMATE

On the coastal belt, the climate is of the Mediterranean type - mild, wet winters, and hot dry summers. In the summer the southerly Sirocco wind dries the vegetation and the harvests. On the high plateaus, the climate is semi-arid, with five or six months of dry weather. In the south the climate is tropical, but dry with extremes of temperatures and violent sand storms.

#### POPULATION (14,330,000)

Rate of Growth: 3.3%

There are 169,000 foreigners, of whom 68,000 are French.

Density varies between 20 per square mile in the Sahara and 7,100 on the Coast.

GNP. per capita \$300 U.S. per annum

Principal Towns:

Algiers (Capital	943,142
Oran	328,257
Constantine	253,649
Sétif	125,000
Annaba	168,790

Ethnic Groups:

Arabs, Berbers, Touareg and Negroes.

LANGUAGES AND RELIGION

The official language is Arabic; French is the principal foreign language. Islam is the official religion. There are also Roman Catholics, Jewish and Protestant sects.

LOCAL GOVERNMENT

For local government purposes Algeria is divided into (1) 76 Arrondissement districts, (2) 676 Communes - county councils whose members are elected by universal adult suffrage for a four year term. These are elected to the next level of the Departments of "Wilaya" of which there are 15; Algiers, Annaba, Batra, Constantine, Médéa, Oran, Mostaganem, El Asnam, Saida, Bechar, Sétif, Tiaret, Tibi, Oasis, Tlemcen and Ouargla.

EDUCATION

About 57% of children attended school in 1970.

Primary Schools: 1.92 million pupils

Secondary Schools: 1.96 million pupils

There are three universities in Algeria, the student enrollment in 1971\* was:

Polytechnics etc.:	8
Teacher Training College:	60
University of Algeria:	)
University of Oran:	) 14,000
University of Constantine:	)

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\* SOURCE: International Handbook of Universities, 5th edition, Paris 1971

During the current development plan (1970-1973), DA.2,718 million is to be spent on education, of which DA.578 is earmarked for Teachers Training and Technical Institutes. This is about 12 per cent of the total investment plan of this period, which represents about 25 per cent of current Government spending, or 12 per cent of GNP.

#### JUSTICE

There are 125 tribunals; three Appeal Courts in Algiers, Constantine and Oran, and in the arrondissements 17 Courts of First Instance. There are also Commercial Courts and Justices of the Peace with extensive powers. Criminal justice is organized on the same lines as in France. In 1966 new codes were promulgated: the penal code, the code of penal procedures and the code of civil procedures and special courts were set up to prevent the misuse of funds. The Supreme Court is at the same time Council of State and High Court of Appeal.

#### HEALTH

There are 148 general and 13 specialized hospitals with 43,000 beds. In 1969 there were 1,270 doctors, 520 dentists, 800 pharmacists and 722 midwives. The Sahara departments had 25 hospitals in 1969 with 1,892 beds. There were 20 hospitals built between 1965 and 1970; in addition under the "action médico-sociale" (AMS) there are 80 dispensaries and 24 anti-tuberculosis clinics. At present there are national disease prevention campaigns against tuberculosis, trachoma, malnutrition and malaria.

#### DEFENCE

##### ARMY

The Army in 1966 had a strength of 45,000 men, organized in the following: one motorized division, four artillery battalions and a number of infantry battalions. Their equipment includes Soviet T-34 and T-54 tanks.

##### NAVY

The Navy consists of 6 "Soi" class Coastal Escorts, 1 "Osa" class, 8 "Komar" class Missile Ships and 1 Coastal Minesweeper. "It is reported that there are also 2 minesweepers of the "T-43" type, 8 small Motor Torpedo recovery vessels, several Coastguard boats and some small auxiliaries". The total personnel of the Navy is 250 officers and 2,750 men.\*

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\* Janes Fighting Ships 1970-71, p.3

### AIR FORCE

The Algerian Air Force consisted of five MIG-15 jet-fighters in 1962 and since then many more Russian designed jet-fighters have been included. As a result, the Algerian Air Force now has about 130 combat aircraft and 2,000 personnel. Technical assistance and training are being provided by Egypt and Russia. There are three squadrons (each 12 aircraft) of MIG-21Fs, three squadrons (each 16 aircraft) of MIG-17 and MIG-15 fighter bombers, two squadrons (each 12 aircraft) of IL-28 twin-jet bombers, 2 squadrons of piston-engined IL-14 and turboprop An-12 transport planes, an MI-4 helicopter wing and training units equipped with Yak-11s, CM.170 Magisters (28 and MIG-15 UTI's. Two SA.330 Puma assault helicopters were bought from France. Surface-to-air missiles have Russian built "Guidelines" systems.

### BANKS

The issuing house is the Central Bank of Algeria. There are three other banks: Caisse National d'Epargne et de Prévoyance, Credit Populaire d'Algérie, and External Bank of Algeria.

### THE ECONOMY

The Algerian Dinar DA is at par with the French franc. There are in circulation bank notes of Dinar 5, 10, 50 and 100; coins 1, 2, 3, 5, 20 and 50 centimes and Dinar 1. 1 Dinar equals \$4.547 US. The Budget Estimates for 1971-72 are DA.8,935 million, which is 18 per cent higher than the 1970-71 Budget Estimates. Current expenditure will absorb DA.5.5 million of the total budget of which the largest allocations are:

Education:	DA.1,234 million (an increase of DA.352 million on the previous year)
Defence:	DA.492 million
Health:	DA.406 million

Table I - Trend of Estimated Revenue and Expenditure detailed overleaf:



TABLE I\*

TREND OF ESTIMATED REVENUE AND EXPENDITURE

(Mn. Dinars)

	1965	1966	1967	1968	1969	1970
<u>Government Finance</u>						
Deficit (-) or Surplus	-1,041	-601	-958	-1,437	-947	-4,002
Revenue	2,790	3,503	3,873	4,553	5,819	6,468
Expenditure	3,831	4,105	4,831	5,990	6,766	10,471
<u>Financing:</u>						
Net Borrowing:						
Domestic	1,191	452	871	1,483	976	3,382
Foreign	-150	149	87	-46	-29	620

The Budget Estimate for 1972 is DA.8,935 million, which is 18 per cent higher than the 1971 budget. The largest allocations are as follows:

Education:	DA.1,234 million (an increase of DA.352 million on 1971 estimate)
Defence:	DA.492 million
Health:	DA.406 million
Interior:	DA.406 million
Public Works: (Construction)	DA.3,435 million
Irrigation:	DA.504 million
Agriculture & Rural Development	DA.381 million
Special Regional Programs	DA.355 million

With a total budget expenditure of DA.9,108 million, there is an overall deficit of DA.233 million. As a result of the increase in oil prices and royalties from petroleum companies, over a third of the total revenue will be collected from this source, estimated at DA.3.2 million

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\* SOURCE: International Financial Statistics Vol. XXV, No. 10  
October 1972

Taxes on profits and indirect taxation are estimated at DA.1,150 million and DA.1.1 billion respectively, and contributions from the state sector DA.600 million as against DA.1.3 billion in 1971, the reason for this deficit is the increasing investment programs in which the State Corporations are being involved during 1972. For example, about one fifth of the estimates for the construction industries are to be financed from medium and long term loans and credits offered by foreign governments, banks and suppliers.

The investment program outlined for the State Corporations for 1972 shows an increase of 42.3 per cent in capital spending, from DA.4,253 million to DA.6,179 million. The major part of this increase is in industry: DA.4,215 million as against DA.3,250 million in 1970.

Agricultural development is estimated at DA.767, while at the same time investment on road construction is estimated at DA.922 million.

#### INDUSTRY IN THE EASTERN AND WESTERN REGIONS

Industry in Constantine was considerably disrupted by storms and floods in February this year. A large number of buildings were destroyed in the eastern part of Algeria, and storms caused landslides near Oran in March. The shortage of water closed 300 factories in the region, and the worst hit was the Arzew Industrial Complex.

#### EMPLOYMENT

Up to January, 1970 46,000 new jobs were created in industry, making a total of 328,000 employees in industry. In fact, the largest increase was in building, where at the end of April, 1971 112,100 were employed, compared to 87,609 in 1969 and 69,000 in 1968. Table II - Employment 1966 detailed overleaf:

TABLE II

EMPLOYMENT (1966)

Active population: 2.8 million, (which represents 23.4 per cent of the population as follows:

Agriculture:	1,340,000
Workers and Craftsmen:	278,700
Commerce:	121,000
Services:	372,000
Transport:	88,000
Industry:	160,000
Unemployment:(1966 level)	610,000
Algerian Workers in France:	350,000
Youths seeking Employment:	263,000

Other sectors employing a sizeable labour force at the end of April 1971 were:

Transport:	33,580
Textiles:	29,035
Food:	28,126
Metal Transformation:	22,450
Oil and Gas:	16,584

In the petroleum industry, Algeria's most important revenue earner, there is a very high capital-labour ratio.

About 1 million Algerians earning less than DA.300 a month are now exempt from income tax. The loss to revenue of almost DA.100 million will be offset by a more rigorous enforcement of direct taxation, and increased taxes on private companies. In fact, restrictions on imports of luxury goods have been imposed, and there are higher taxes on cigarettes, beer and cars of over 10 horse power. These items would increase Customs revenue. Algeria has also introduced the "Value Added Tax" on other luxury goods, although goods for export are exempted and certain types of imports, such as equipments for the oil industry.

## FOREIGN TRADE

The Algerian trade figures for 1970 and for the first quarter of 1971 (January to March), envisage a trade deficit in 1970 - DA.855 million, DA.1,225 million by end March 1971. Exports, in fact, increased by 8 per cent, but this must be offset by huge imports which rose by 24.6 per cent to DA.6,205 million in 1970.

TABLE III

### BALANCE OF TRADE

(in Dinars)

	1969	1970	% Change
Exports:	4,611	4,980	8.0
Imports:	4,981	6,205	24.6
<u>BALANCE:</u>	<u>-370</u>	<u>-1,225</u>	

The main reasons for the increase in export revenues were: (1) a 6 per cent increase in earning from sales of oil and gas from DA.207 million to DA.3,506 million, (2) a tripling of sales of semi-finished products, which rose to DA.194 million. Again, the vast increase in imports was largely the result of a rise of almost 50 per cent in the purchase of equipment to DA.621 million. Purchase of raw materials rose by a third to DA.419 million, fuels to DA.132 million.

As for the direction of trade, the greatest proportion of the increase in both exports and imports involved the EEC countries. Imports from France rose by DA.431 million to DA.2,631 million: imports from Germany rose by DA.162 million to DA.620 million; imports from the United States and Canada rose by DA.129 million to DA.577 million (Canada and Algeria have just signed a trade agreement on August 16, 1972 for \$170,000,000 million sale of Canadian wheat over the next five years 1972-1977). On the other hand, imports from the Soviet bloc countries amounted to DA.416 million.

TABLE IV

BALANCE OF TRADE

(in Dinars)

	January - June		
	1970	1971	% Change
Exports:	2,409	1,570	-34.4
Crude Oil:	1,608	1,207	-24.9
Imports:	<u>3,017</u>	<u>2,927</u>	-3.0
<u>BALANCE:</u>	<u>-608</u>	<u>-1,348</u>	

TRADE AGREEMENTS

A series of trade agreements were recently concluded with Russia for \$180 million this year, \$200 million in 1973 and \$210 million in 1974. Trade with Czechoslovakia quadrupled to \$30 million this year, and "exchanges" with Rumania are to rise from \$50 million (1972 level) to \$100 million by 1975. In addition, Rumania has made available a \$100 million loan for the purchase of industrial equipment. One unsatisfactory feature is that no agreement was reached with Russia on the question of freight-sharing, despite Russian assurances on this matter last October. This angered the Algerian Government, who have recently bought a small fleet of tankers specifically to transport wine to Russia.

Apart from the long-term loan promised by Rumania, most of the finance promised in recent months has come from private sources: for example, the \$25 million raised by the Algerian Government through the External Bank of Algeria (Banque Extérieure d'Algerie) guaranteed by Bruxelles Bank, Kuwait Investment Co. S.A.K., Bank of America Limited, National Bank of Paris, Dresdner Bank AG, Manufacturers Hanover Limited\*. Another was a deposit of \$100 million from Libya at the time of the oil crisis, but this credit has now been repaid. The United States Export-Import Bank recently made two sizeable loans, one for \$9.45 million towards the \$37.4 million cost of irrigating 7,400 hectares of Abadla plain south of Colomb-Béchar. A similar sum is being provided by two other United States banks. The second Exim Bank - The Export-Import

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\* Economist August 19, 1972

Bank of the United States - is providing a loan to finance half the \$5.8 million cost of computer equipment being purchased by SONATRACH. UNDP is providing a substantial part of the finance for 36 projects it has approved to 1974. The amount invested is \$12 million, of which \$7.3 million for 19 projects will be incurred in 1972.

On the other hand, when one looks at the effects of the United States devaluation, Algeria more or less may have anticipated the devaluation of the US dollar in December 1971 and converted two-thirds of her reserves into gold beforehand - the gold parity of the Dinar at 0.18 grammes. Another bonanza from the United States devaluation, along with other OEDC countries, was Algeria's suggestion that oil prices should be linked to an IMF index, which is to be applied retrospectively at periodic intervals - a proposition accepted by the major oil companies for Gulf crude oil on January 20, 1972.

TABLE V\*

<u>INTERNATIONAL LIQUIDITY</u>							
(millions of US dollars)							
	1965	1966	1967	1968	1969	1970	1971
Central Bank Reserves	184	273	442	492	410	339	506
Gold	6	6	155	205	205	191	208
SDRs	-	-	-	-	-	14	30
Reserve Position in the Fund	15	16	17	17	19	33	35
Foreign Exchange	163	252	270	269	185	100	233
<u>Fund Position:</u>							
Credit Tranche Position	60	63	66	69	75	130	141
Quota	60	63	66	69	75	130	141
Payments Agreements Assets	13	9	6	2	17	3	16
<u>Deposit Money Banks:</u>							
Assets	39	53	78	117	312	58	65
Liabilities	34	38	42	59	199	23	25

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\* International Financial Statistics Vol. XXV, No. 10  
October, 1972



## AGRICULTURE

There is a small area of highly fertile plains and valleys near the coast, mainly owned by self-management committees and some Europeans, but the greater part of Algeria is limited for agricultural purposes. In the north, the mountains are generally better adapted to grazing and forestry than agriculture, and a large portion of the population is quite poor. In spite of the many excellent roads built by the Government, a considerable area of the mountainous region is without adequate means of communication and is accessible only with difficulty. It was estimated (1969) that of 16.7 million hectares of agricultural land, 6.2 million hectares were arable; 370,000 hectares under vine and 9.6 million hectares pastures and brushlands.

Revenue from the citrus crop accounts for about 15 per cent of the gross agricultural revenues. Fruit is an important earner of foreign exchange, but since independence there has been a steady decline in the volume exported, partly because of poor yields and partly because of poor quality fruit. Reasons for this have been (a) the poor irrigation and the minimal use of fertilizers, and (b) half the orchards are now over 25 years old. The Government has recently introduced a crash program for the next five years to improve cultivation and plant new groves. Over the next three years, 1972-75, 2,000 hectares of new groves will be planted and between 1975 and 1980 a further 23,000 hectares, 6,000 hectares of old orchards would have been cleared. The results of this program should be felt by 1980, when output is expected to rise by some 80,000 tons over the 1969-70 level to 580,000 tons. At any rate, most of the increased production will be absorbed on the local market, or in doubling annual fruit juice production to 50,000 tons. Exports will continue to fluctuate around 170,000 tons, though this might be improved if lost markets in Western Europe can be recovered. At present, the loss of some West European markets has been partly offset by increased sales to East European countries.

### Principal Products (in thousand tons) 1968-69

Wheat	1,920	
Barley	538	
Olive oil	18	
Dates	180	
Citrus fruits	420	Contd/

Principal Products (in thousand tons) 1968-69 Contd.

Wine	270,000,000 gallons
Sugar Beet	55

Livestock 1967-68

Cattle	841,000
Sheep	7,534,000
Goats	2,515,000
Camels	173,000
Poultry	12,000,000
Horses	565,000

FISHING

1968:	25,000 tons
1973 target:	45,000 tons
Four year plan 1970-73:	Planned rate of growth 9% per annum

There are extensive fisheries for sardines, anchovies, sprats, tunny fish, etc., and also shell fish. Fish taken in 1963: 4,000 tons white and shell fish; 13,000 tons blue fish (sardines, anchovy, etc.).

FORESTRY

The average acreage of state forests was 3.07 million hectares in 1965. Large areas are covered with cork-oak trees, aleppo pine, evergreen, oak and cedar. Plans are being worked out to expand the forestry services.

POWER

Production of energy:	1969	1477 million kw.
Production of energy:	1968	1035 million kw.

In 1969 an agreement was signed for the construction of two 75 megawatt power stations at Oran and Annaba.

OIL

The national corporation SONATRACH was formed on December 21, 1963 primarily for prospecting, production and processing of oil products;

after Libya, Algeria is the second largest producer of oil in Africa.

#### CRUDE OIL PRODUCT

SONATRACH has now established itself in all fields of the oil industry, including marketing. In the upsurge after nationalization it sold 24 million tons of oil last year, compared to 10 million tons in 1970 and SONATRACH's total investments in 1971 amounted to 560 million dollars.

<u>Base Year</u>	1959	1969	1970
	500,000 tons	45 million tons	47 million tons

The most important oil fields are: Hassi, Hassi Messaoud Sird, Zarsaitine, Gassi Toul, Rhoureld, El Baguel, Edjeli, Tin Fouyé Nord, El Gassi, El Agreb.

It is now confidently predicted that crude oil production in 1972 should exceed 55 million tons. In May, 1968 13 foreign companies were nationalized. On February 24, the Algerian Government took over the French oil companies.

#### NATURAL GAS

Hassi R'Mel is the main gas field. Production in 1969 was 148,000 million cubic feet. The gas pipeline from Hassi R'mel to Skikda was opened in October 1968. The natural gas liquefaction plant at Skikda will be in use later this year.

#### MINES

##### IRON ORE

Reports have now been submitted to the Algerian Government on the commercial exploitation of the iron ore deposits at Gara Djebilet, which are amongst the most important in the world, 500 miles south west of Colomb-Béchar. The reserves are estimated at 3,000 million tons.

<u>Production</u>	1968	1969
	3.6 million tons	3 million tons

The iron ore deposits at Khertzet Youcef and Djebel Guestar are being developed, and it is estimated that the mines at Zaccax and Timezrit will increase their output by 20% over the 1969 level.

### PHOSPHATES

The reserves at Djebel Ouk are estimated at around 1,000 million tons. Also, reserves of nearly 300,000 tons were discovered recently at Kouif.

<u>Production</u>	<u>1968</u>	<u>1969</u>
	650,000 tons	420,000 tons

### NON-FERROUS MINERALS

There are deposits of lead and zinc at El Abed, Sidi Kamber, Ouarsenis and copper at Ain Barbar.

<u>Production</u>	<u>1968</u>
Lead Concentrates	15,000 tons
Zinc Ore	65,000 tons
Copper Concentrates	4,320 tons
Coal	50,000 tons

TABLE VI

<u>Mining Production</u>	<u>Annual Averages</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Natural Gas	Million cu.metres	277	242.5	300
Crude Petroleum	'000 tons	3,677	3936.5	3,184
Iron Ore	'000 tons	249	264	235

### INDUSTRIES

#### FOOD

The mineral water factory at Saida opened in December 1966 - produces 8 million bottles a year. The fruit juice factory at El Asnam produces the following:

Citrus fruit juice	2,700 tons
Tomatoe juice	12,000 tons
Apricot juice	730 tons
Grape juice	2,500 tons

There are also two sugar factories at El Khemis, which produce 20,000 tons of crystallized sugar from local sugar beet, and the Sfisef Complex produces 12,000 tons annually.

### TEXTILES

The textile plants at Batua and Draa Bev Khedda produce 37.5 million square yards of cloth a year. The thread and cotton mills of Valmy and Constantine produce 12.9 million square yards per annum.

### LEATHER

There are three leather tanneries in Algeria: at Rhomba, Djidjelli and Lourmel.

### CHEMICALS

There are petrochemical plants at Hassi Messaoud, with a capacity of 165,000 tons, and the Algiers refinery produces 2.8 million tons. The Aizew refinery is now in operation, concentrating on ammonia and nitrogen fertilizers. Production per day is as follows:

Ammonia	1000 tons
Nitric acid	400 tons
Nitrate of Ammonia	500 tons
Urea	400 tons

There are two propane extraction plants and three cement factories at Hassi-Messaoud and an ethylene plant at Skikda.

### FERTILIZERS

The three factories at Algiers, Oran and Annaba produce sulphuric acid partially dehydrated, sulphuric acid, superphosphate of lime and fertilizers (production in 1967: 74,000 tons). The compost making plant at Algiers processes household rubbish into fertilizers at the rate of 80,000 tons per annum. A study is now being conducted into a cellulose plant, using espartograss and wood. The glass factory at Oran produces 10,000 tons per annum - twice as much as the national need.

### BUILDING

There are 42 tile and brickworks. Algeria is self-supporting in cement and has export capacity (production 1967: 731,000 tons).

### IRON AND STEELWORKS

In November 1968 the tube plant at Annaba steelworks came into operation. In June, 1960 the cast products division (with a capacity

of 400,000 tons) was operational. During the 1970-73 four year plan, work will be completed on the rolling mills for the steel works: planned production 430,000 tons per annum. Work on the building of a second blast furnace will be started in 1974.

#### ROADS

Work began in 1969 on the Algerian section - 240 miles of the Trans-Sahara highway. 44,000 miles of road comprise:

National roads:	12,250 miles
Department roads:	12,500 miles
Sahara tracks:	19,617 miles

#### RAILWAYS

4,100 km. of railway open for traffic:
2,720 km. of standard gauge
299 km. of electrified
1,380 km. of narrow gauge

#### MOTOR VEHICLES

Cars:	115,192
Commercial:	68,000

#### SHIPPING

43 million tons (1968) of goods were handled at Algerian ports.

<u>Merchant Fleet:</u>	21 vessels over 2,000 tons
	925 vessels below 1,500 tons
	Total Tonnage: 72,953

There were 1970-71 in Lloyds Register of Shipping seven vessels flying the Algerian flag. Gross tonnage: 19,456

#### POST

Post Offices:	900
Telephones:	156,038
Radio:	700,000
Television:	100,000

#### PORTS

There are eight important ports and five secondary ports. The three most important, Algiers, Oran and Annaba are managed by Port Authorities. The others are managed by the Chamber of Commerce or by the Algerian Government.



The tonnage of oil products continues to increase, while other products have slipped to half the 1967 level. Total traffic handled in 1968: 48 million tons.

#### AIRPORTS

The principal airports are: Algiers (Dar-el-Beida), Annaba and Oran La Senia.

Total Traffic:	362,700,000 passengers/km
Freight:	3,200,000 tons/km

#### TOURISM

	<u>Hotels</u>
Algiers	55
Constantine	44
Oran	45
South (Oasis-Saura)	27

There are also 8,250 villas and holiday chalets on the coast. The Algerian Government has built four tourist holiday villages at Mer-el-Soleil, Club des Pins, Staouel and Canastel in Oran.

#### COMMUNICATIONS

There were in 1970 4,100 km. of railway open to traffic, of which 2,720 km. are a standard gauge (299 km. electrified) and 1,380 km. of narrow gauge.

There are 65 airfields controlled by the Government, and 135 owned by the petroleum companies.

In 1969 18,200 km. of roads, 18,900 in the Sahara department. Work began in 1969 on the Algerian section (240 miles) of the Trans-Sahara highway, which may eventually link up with the Trans-African highway.

#### INTERNATIONAL LOANS AND GRANTS

An interesting development from June 30, 1971 to June 1972 was the IMF loan of \$10,370,000\* of which France guaranteed \$1,532,000 and \$3,072,000 for 1972 and 1971 respectively.

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\* World Bank /IDA Annual Report 1972, page 102

TABLE VII\*

APPROVED BANK AND IDA LENDING OPERATIONS BY COUNTY CUMULATIVE TOTAL  
JUNE 30, 1972 (US. DOLLARS)

<u>BANK LOANS</u>		<u>ALGERIA</u> <u>I.D.A. Credits</u>		<u>TOTAL</u>	
<u>No.</u>	<u>Amount.</u>	<u>No.</u>	<u>Amount.</u>	<u>No.</u>	<u>Amount.</u>
3	80,500,000	-	-	3	80,500,000

Algeria received loans from the African Development Bank, (1) for the importation of heifers and purchase of dairy plant equipment, and (2) construction of the final stretch of the Trans-Saharan Highway.

Algeria received a total of \$7.9 million, a proportion being spent on wheat deliveries from Canada. To support cost of sending Canadian teachers to Algeria, 28 and 43, 1970 and 1971 respectively. The training of Algerian students and trainees in Canada in 1970 - 38, and 1971 - 50. On preliminary studies of projects for example the Forest Fire Protection Project, the supply of refrigeration equipment for the shrimp fisheries at El Kala and for geological feasibility studies in the Hoggar mountains.

OUTLOOK

Algeria has a promising future due to her largely unexploited natural resources, especially gas and minerals. Also, she is increasingly attracting foreign investments, which should enable her to meet part of the local costs to finance her current development plan. The Government can make a statutory contribution to this end by reducing her Defence Budget, which at DA.406 million for 1972 is excessively high for a country of less than 15 million people. On the political plain it remains to be seen whether the promised free elections due next year would unleash latent political opposition to the present Revolutionary Council. If so, the prospect would be one of political and social instability. At any rate there are still serious socio-economic problems, i.e. land redistribution,

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\* African Development, November 1972, page 17.

the weeding out of absentee landlords, profiteering and corruption to be ironed out to stop any future political unrest. The Government hopes that with the various projects the current development plan now under way, it would have meaningful effects on the economy as a whole by the mid-1970's

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